

November, 1999

Bulgaria's Trade Policy and Foreign Trade
Regime in the Light of Its Application
to Join the
European Union

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Introduction

After the democratic revolution of 1989 the trade policy and the foreign trade regime of Bulgaria underwent substantive systemic changes. The state withdrew from direct control over foreign trade and as a result the foreign trade regime was significantly liberalized on the basis of international principles and rules of trade embodied in the GATT.

In parallel the trade policy of Bulgaria both on multilateral and bilateral level underwent major changes. Favourable conditions were created to successfully complete the accession of Bulgaria to the GATT, later to the WTO as well as to conclude free trade area agreements with the European Communities and the European Free Trade Association (EFTA) and ensure the granting of most-favoured nation (MFN) treatment on a permanent basis on the part of the USA - possibilities that were unthinkable some years earlier.

A qualitative new phase started in fact after the decision of the EC to commence negotiations with Bulgaria on a Europe Association Agreement (EAA) which was initiated in December 1992, signed in March 1993 and entered into force in February 1995. An Interim Agreement covering the trade and trade related aspects of the Europe Association Agreement (EAA) entered into force on 31 December 1993 repealing the then existing Agreement on Trade and Economic Cooperation of 1990.

The signing of the EAA made a strong impact on the further developments in the trade policy and foreign trade regime of Bulgaria and what is more important it became the basis of preparations for future membership in the European Union (EU). Bulgaria applied for membership in December 1995 and the Luxembourg Summit of the EU marked the beginning of the enlargement of the EU to the East, Bulgaria being part of this process.

1. General Framework of the Trade Policy

Following the events in 1989 the state monopoly on foreign trade was terminated. In this way all economic operators, irrespective of the character of ownership, received unrestricted right to carry out foreign trade operations. As from the beginning of 1991 the foreign trade regime was radically liberalized. This tendency was strengthened as a result of a parallel liberalization of the prices and of the foreign exchange regime. Pursuant to these developments the import tariff became the principal trade policy instrument of the country for the protection of local industries and for ensuring better market access of Bulgarian goods on the international markets. Bulgaria introduced a new import tariff based on the modern achievements in this area.

The liberalization of the foreign trade regime consisted primarily of elimination of bans, quantitative restrictions (QRs) and non-automatic licensing on imports and bringing it closer to the principles and rules of the GATT. This process was favoured by the rapid development of the private sector in the foreign and domestic trade but was hampered by the slow privatization of the huge state sector in industry.

The association of Bulgaria to the EU lead to the necessity of harmonizing the Bulgarian legislation to that of the EU. This process of approximation of legislation

gained momentum after Bulgaria started its preparations for membership in the Union.

2. Customs Tariff and Foreign Trade Regime

2.1 Customs Tariff

The principal trade policy instrument of Bulgaria is the Customs Tariff. As from 1 July 1992 the Customs Tariff of Bulgaria is based on the Harmonized Commodity Description and Coding System developed by the Customs Cooperation Council (now World Customs Organization). On the 1 of January 1997 Bulgaria introduced a new Customs Tariff which reflected a number of changes linked with its harmonization with the EU Combined Nomenclature as well as obligations as a result of Bulgaria's membership in the World Trade Organization (1December 1996).

The Customs Tariff of Bulgaria consists of two columns. The first one contains the import duty rates applied to goods imported and originating from countries, which enjoy MFN treatment of Bulgaria. Prior to its accession to the WTO the average nominal MFN tariff rate was 17,96 %, while the average weighted MFN tariff rate was 13,72 %. In 1998 the average nominal MFN tariff rate was 17,85% and the average weighted MFN tariff rate was 12,89% (9,43% -average weighted, including all preferential imports) while in 1999 the corresponding figures are 15,20% and 9,92% (5,92%) respectively. The second column contains the import duty rates applied to developing countries, which enjoy preferential (GSP) treatment of Bulgaria. The least developed developing countries' preferential imports are exempt from import duties in Bulgaria.

2.2 Customs Clearance Fee

The determination of the Customs Clearance Fee created difficulties in the accession negotiations in the WTO and in trade relations with the EU since it did not reflect the actual costs in customs clearance and hence did not comply with the requirements of Article VIII of the GATT. Bulgaria eliminated this fee as from the beginning of 1998 but retained in its legislation the possibility of reintroducing it in compliance with international rules.

2.3 Export Taxes

Bulgaria applies at present export taxes in relation to the exportation of certain goods in order to prevent the creation of deficits on the domestic market that will undermine the functioning of some sectors. Bulgaria committed itself to restrict the usage of such taxes and to gradually eliminate them. Bulgaria terminated the application of export taxes in relation to trade with the EU and other partners under FTAs as from 1 January 1998. In relation to third countries an export tax only on one commodity group (wood products) is being applied as from 1 January 1999 (Annex 1).

2.4 Import Surcharge for Balance of Payments (BoP) Purposes

As a result of the rapid deterioration of its balance of payments Bulgaria introduced in June 1996 an import surcharge of 5 %. The import surcharge was applied to the importation of all goods with a few exceptions of essential goods (oil, natural gas, coal, electricity and cotton among them). Bulgaria presented its timetable for the gradual elimination of the measure, which foresaw full elimination by 1 July 2000. Following the introduction of the currency board and the improvement of the balance of payment position the Bulgarian government decided to eliminate the import surcharge ahead of schedule as from 1 January 1999.

2.5 Temporary Suspension of Import Duties

Bulgaria applies at present only for some agricultural goods (wheat, wheat gluten and pork) suspension or reduction of import duties within tariff quotas due to market imperfections. These quotas are applied without discrimination as to the source of importation. Bulgaria has undertaken to gradually eliminate this practice.

2.6 Customs Valuation

The determination of the customs value of the imported goods is stipulated in the new Customs Law and the Regulations on the Application of the Customs Law and is based on the international norms, that is, the Customs Valuation Code of the GATT. It is fully aligned with the legislation of the EU.

2.7 Rules of Origin

Bulgaria has undertaken a commitment in the WTO to bring its legislation on the rules of origin regarding both preferential and MFN imports in conformity with the Agreement on Rules of Origin of the WTO. This was reflected in the new Customs Law and the Regulations on the Application of the Customs Law. Bulgaria already has certain experience in the harmonization of its rules of origin with those of the EU and in the application of the multilateral system of cumulation of the preferential rules of origin.

2.8. Foreign Trade Regime

2.8.1 Import and Export Licensing

The importation and exportation of goods to and from Bulgaria is carried out free with the exception of a few commodities which are subject to non-automatic licensing and therefore requiring prior permission by the Ministry of Trade and Tourism. For another range of goods Bulgaria applies automatic licensing with the purpose of gathering statistical information - in such cases the Ministry of Trade and Tourism cannot refuse to issue import or export license. The license is issued in one day in case of automatic licensing and in two days in case of non-automatic licensing.

Non-automatic licensing is applied in relation of goods subject to international obligations undertaken by Bulgaria (e. x. on textile and clothing trade with USA and Canada) or which fall under general exceptions under the GATT, e. x. for the purpose of protection of human health, plant and animal protection (medicines),

preservation of the ecology (waste products), national security (arms trade, dual use goods) and protection of the historical, cultural and archeological heritage, etc. Bulgaria has committed itself under its accession to the WTO to eliminate all restrictions, which are not compatible with the requirements of Articles XI, XII, XIII, XIX, XX and XXI of the GATT. The list of goods subject to automatic and non-automatic licensing is contained in Annex 2.

2.8.2. Safeguard , Antidumping and Countervailing Duties Legislation

The legislation of Bulgaria in this particular field is based on the corresponding agreements in the WTO. In the accession process Bulgaria undertook to amend it in case there were some deficiencies. This will be necessary also in the light of Bulgaria's application to join the EU. Once Bulgaria becomes a member of the EU she will have to adopt the EU legislation on these issues.

3. Bulgaria' s Trade Policy to Its Trading Partners

3.1. On a Multilateral Level - WTO

Bulgaria acceded to the WTO in December 1996 following ten years of negotiations. The membership of Bulgaria in the WTO created new possibilities to carry out trade policy and to defend its interests on a multilateral level and also to better defend its interests on a bilateral level referring to the principles and rules of the multilateral trading system. Bulgaria becomes a more predictable and attractive country for foreign investors in so much there is a guarantee that she will follow the international rules and discipline on trade policy matters.

As a result of its accession to the WTO Bulgaria undertook to comply with the provisions of all agreements on trade in goods, of the General Agreement on Trade in Services, of the Agreement on the Trade- Related Aspects of Intellectual Property Rights and all other agreements negotiated during the Uruguay round of multilateral negotiations embodied in the WTO.

Bulgaria has granted during its accession negotiations tariff concessions, which will not create difficulties on the domestic market or to its domestic industries. She has also granted concessions in the area of trade in services, which are commensurate with its level of development of the services sector and therefore it is not expected that they will create a problem.

Bulgaria's Protocol of accession to the WTO is standard, that is, it does not contain departures from the normal practices unlike other Central European and East European countries that joined the WTO as GATT signatories but had acceded to the GATT at the time they were planned economies.

3.2 On Bilateral Level

3.2.1 Free Trade Area Agreements (FTA)

The first FTA was concluded in 1974 by Bulgaria with Finland at the time Bulgaria was a planned economy and it was terminated when Bulgaria signed a FTA with EFTA states.

3.2.1.1 Europe Association Agreement

The first and the most important free trade area agreement after 1989 was concluded with the European Communities in the framework of the Europe Association Agreement. The trade part of the latter, that is, the free trade area and the related trade and economic aspects entered into force on 31 December 1993 by virtue of the so called Interim Agreement. It was based on the international rules and more specifically on the provisions of article XXIV of the GATT. The free trade area will be established in ten years. The agreement envisages gradually full elimination of barriers to trade in industrial goods and some liberalization of trade with agricultural products.

The agreement was based on asymmetrical approach as to the speed of trade liberalization - the total elimination of import duties and non-tariff measures of the EU applicable to Bulgarian exports of industrial products was completed by 1 January 1998, while the total elimination of import duties and non-tariff measures (Bulgaria does not apply NTM at present) of Bulgaria applicable to EU exports of industrial goods would be completed by 1 January 2002. That means that at present there are no obstacles to Bulgarian exports of industrial goods to the EU, while a number of EU industrial products still face import duties in Bulgaria. The applied rates of these import duties are gradually diminishing and on 1 January 2002 - no duties will be applied. In 1999 the average nominal duty rate for EU industrial imports is 3,58%.

The principle of asymmetry is not so well established as regards agricultural goods. The liberalisation is only to a small extent. The Bulgarian side has succeeded in incorporating in the agreement the preferential access for some agricultural products it had under the unilateral GSP scheme of the EC. The EU eliminated all quantitative restrictions applied to Bulgaria in the agricultural sector and gave preferential treatment (reduced import duties and/or levies) within tariff quotas for certain Bulgarian agricultural products and without limitation for certain processed agricultural products. Bulgaria and the EU exchanged also concessions on a reciprocal basis for some agricultural products like tobacco and cow milk cheese. They also agreed to conclude separate agreements for preferential access of wine.

In the agreement there are usual provisions of "standstill" of new restrictions, of safeguard and antidumping measures and procedures, etc. In certain well-defined cases ("infant" industry and sectors under restructuring) Bulgaria may introduce higher import duties for temporary protection.

As a result of the agreement Bulgaria was deleted from the list of the "state trading countries" of the EU and in all EU legislation she received treatment equal to all market economies under the normal procedures.

3.2.1.2 Agreement with States Members of the European Free Trade Association

The Agreement with the states- members of the European Free Trade Association (EFTA) was signed in 1993. At that time members of EFTA were 7 countries - Switzerland, Liechtenstein, Austria, Sweden, Finland, Norway and Iceland. The agreement envisages full liberalization in trade of industrial products and only limited better access in the area of agriculture on the basis of bilateral agreements with each individual member of EFTA. In the trade of industrial products the rate of liberalization for Bulgaria was faster compared to the one in the agreement with the EU.

At present all Bulgarian exports of industrial products are not subject to import duties or non-tariff restrictions on the part of EFTA states. Exports of industrial goods from

EFTA states to Bulgaria are subject to the same treatment as those from EU members. It means that a number of EFTA industrial products still face import duties in Bulgaria. The applied rates of these import duties is gradually diminishing and on 1 January 2002 - no duties will be applied. In 1999 the average nominal duty rate for EFTA industrial imports is 3,56%.

As regards agricultural trade the bilateral agreements with individual EFTA states foresee smaller volume of concessions compared to the agricultural concessions with the EU.

The general provisions of the EFTA agreement are similar to those in the trade part of the Europe Association Agreement.

The accession of Austria, Finland and Sweden to the EU in 1995 resulted in governing the trade relations of Bulgaria with these three countries under the Europe Association Agreement. Under the normal procedures Bulgaria received certain compensation (it entered into force as of 1 July 1997) by the EU as a result of its enlargement with Austria, Finland and Sweden.

3.2.1.3 Free Trade Area Agreements with Other Central European Countries Associated with the EU

Bulgaria concluded free trade area agreement with the Czech Republic and the Slovak Republic in 1995 and with Slovenia - in 1996. These agreements reflect the model of the Central European Free Trade Agreement (CEFTA). This model is envisaging faster trade liberalization in industrial goods and greater volume of concessions in the agricultural sector in comparison with the agreement with the EU. The general provisions are based on the international principles and rules.

The accession of Bulgaria to the WTO and the conclusion of the agreements with the Czech Republic, the Slovak Republic and Slovenia made it possible for Bulgaria to complete successfully its negotiations to join CEFTA in 1998. The Agreement with CEFTA entered into force as from 1 January 1999 and the FTA agreements with the Czech Republic, the Slovak Republic and Slovenia ceased to be applied. The agreement with CEFTA will gradually lead to the creation of a free trade area with Czech Republic, Slovenia, Slovak Republic, Poland, Hungary and Romania.

The completion of the gradual removal of tariffs on industrial products is envisaged by 1 January 2002 at the latest but with some countries the schedule is earlier - 1 January 1999 (the Czech Republic and the Slovak Republic), 1 January 2000 (Slovenia), 1 January 2001 (Hungary). As to QRs and measures having equivalent effect the only exception is the maintenance by Hungary of a ceiling for footwear exports from Bulgaria.

On agricultural products there are reciprocal concessions in terms of zero or reduced duties applicable to specific tariff positions within specified tariff quotas (in some cases to be gradually eliminated) or without tariff quotas.

Bulgaria is negotiating currently free trade area agreements with the Baltic states.

3.2.1.4 Free Trade Area Agreements with Other Countries

Bulgaria has successfully completed its negotiations with Turkey. The Agreement entered into force on 1 January 1999.

It envisages gradually total abolition of import duties by 1 January 2002 and standstill on the introduction of new QRs and measures having equivalent effect as regards industrial products. On agricultural goods there is some improvement of market access to specific products in terms of elimination or reduction of import duties without or within quantitative limitations (tariff quotas).

The general provisions of the agreement are based on the relevant international rules, including the provisions on "remedies".

Bulgaria concluded its negotiations on a FTA with Macedonia, which is expected to enter into force as from 1 January 2000.

Bulgaria has also expressed interest to negotiate a free trade area agreement with the State of Israel and Morocco. Negotiations started with Israel and Morocco in 1999.

At the same time, it should be clear that Bulgaria cannot start a free trade area agreement negotiations with countries with which the European Union does not have a free trade area or customs union agreement because upon Bulgaria's accession to the EU the latter has to compensate such countries as required by Article XXIV of the GATT. This means that until the EU has not concluded a free trade area or customs union agreement with countries like USA, Japan or Russia, Bulgaria will not be in a position to sign such agreements with any of these countries, if she wants to become a member of the EU.

3.2.2 Agreements with MFN Treatment

Bulgaria has such type of agreements with a lot of countries. These agreements were of great importance in the past to secure non-discriminatory treatment of Bulgarian goods. After Bulgaria's accession to the WTO and the resulting MFN treatment of Bulgaria on a multilateral level the significance of bilateral MFN agreements greatly diminished and in practice are of importance only in respect with countries which at present are not members of the WTO - like Russia and China.

3.2.3 Tariff Preferences in the Framework of the Generalized System of Preferences (GSP)

3.2.3.1 Bulgaria as a Beneficiary Country

Bulgaria was considered as a GSP beneficiary country after the early 70 -s by all developed countries except the USA and the EC member states due to the fact that she was able to convince those donor countries that Bulgaria was with a level of economic development similar to that of the majority of the developing countries. After 1989 changes Bulgaria received GSP treatment also by the USA and the EC.

At present Bulgaria is still a beneficiary of the GSP schemes of Australia, New Zealand, Japan, Canada and the USA. The GSP treatment by EU and the EFTA states lost its relevance after the conclusion of the free trade area agreements.

3.2.3.2 Bulgaria as a Donor - Country

Bulgaria grants GSP treatment to most developing countries from the very inception of the scheme. The Bulgarian GSP scheme was modified several times and at present

it covers 120 developing countries of which 72 enjoy reduction in tariff rates and the least developed among them (48 countries at present) enjoy zero duty treatment for products under the GSP scheme. The scope of products under the GSP scheme is limited – in 1999 it covers only 9,6% of all tariff lines. Bulgaria has to review in the future its present preferential system and make it compatible with the obligations of future membership in the EU.

4. Major Tasks of the Trade Policy and Foreign Trade Regime of Bulgaria in the Light of its Application to Join the EU

The future accession of Bulgaria to the EU requires well-defined and consistent preparations in the area under consideration. Among them the most important elements are the preparations for adopting:

- The Common Customs Tariff of the EU
- The multilateral and the bilateral agreements of the EU in the trade policy area
- The different preferential agreements of the EU with third countries
- The autonomous preferential regimes of the EU
- The EU regime for non-proliferation of arms of mass destruction
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- Trade defense legislation of the EU
- The legislation of the EU in a number of areas having an effect on trade policy (customs, government procurement, intellectual property rights, accounting, competition and state aids, services, etc.)

4.1 Common Customs Tariff

The adoption of the Common Customs Tariff of the EU will lead to the increase of the competitive pressure on the Bulgarian economy not only as a result of the fact that Bulgaria will become part of the Single Market of the EU, but also as a result of an increasing import pressure from third countries due to the lowering of the tariff protection (the trade weighted average of the tariff rates of the Common Customs Tariff of the EU is much lower than in the Bulgaria at present). This means that Bulgaria should conduct sector by sector analysis and adopt measures ensuring smoother adaptation to the future acceptance of the Common Customs Tariff of the EU and its Common Commercial Policy. The conclusion of free trade area agreements with countries that have such agreements with the EU is one of the directions for achieving this objective.

4.2 The Common Commercial Policy of the EU

At present Bulgaria should maintain a foreign trade regime in full conformity with its WTO and Europe Agreement obligations and gradually carry out a trade policy and possible changes in the trade regime that will bring her closer to its future EU membership's obligations. Upon its accession to the EU Bulgaria should apply the Common Commercial Policy of the EU - its multilateral and bilateral obligations. EU commitments in the WTO are various and numerous (tariff concessions, concessions in the area of agriculture and services, commitments in the TRIPs, to mention only some of them) and will become Bulgaria's commitments and the Bulgarian

administration should prepare the gradual adaptation of Bulgaria to that. In the area of textiles and clothing one should not expect problems as the EU and the other WTO members will apply the general GATT regime for this sector after 2005 and it is clear that Bulgaria will not accede to the EU before 2005 in order to apply temporarily the present EU regime of QRs on third countries' imports of textile and clothing.

4.3 Bilateral Preferential Agreements of the EU

The accession of Bulgaria to the EU means that Bulgaria shall start to apply the EU bilateral agreements and shall cease to apply its bilateral agreements upon accession. This will enlarge the access of Bulgarian goods on new markets but at the same time will increase the competitive import pressure on the Bulgarian domestic market. In this connection it is important that Bulgaria will continue to increase the number of countries with which she concludes free trade area agreements and which have such agreements with the EU.

4.4 Unilateral (Lome Convention) and Autonomous System of Tariff Preferences of the EU

The adoption of these instruments of the EU trade policy will not create problems for Bulgaria but certain preparatory steps are necessary particularly with regard to the GSP scheme of the EU.

4.5 Regime on Arms' Trade and Trade with Dual Use Goods

In this area one cannot expect problems apart from the administrative possibilities of the Bulgarian administration to apply the regime of the EU. Bulgaria should strengthen the necessary administrative capacity to deal with the problem.

4.6 EU Legislation on Trade Defense Instruments

Upon its accession to the EU Bulgaria should accept the relevant EU legislation and repeal its national norms in these area (provisions relating to safeguards, antidumping and countervailing duty measures). Bulgaria has made serious efforts in the last several years to adopt legislation in this area compatible with the international rules under the WTO. The major problem is, however, in the lack of experience and practice in the application of these instruments, as well as in the availability of critical mass of qualified experts and adequate mechanisms on enforcing the legislation. In practical terms Bulgaria will start to apply all current EU measures on safeguards, antidumping, etc. on the date of its accession to the EU. This needs preparations together with the EU aiming at preventing rapid increase of imports subject to such EU measures into Bulgaria prior to accession with a view to "circumvent" the measures once Bulgaria becomes a member of the EU.

4.7 Customs Legislation

Bulgaria should make serious efforts in its preparations in this important area for future membership in the EU.

In the first place Bulgaria should effectively enforce as from 1 January 1999 the Customs Law which was adopted in 1998 and was elaborated with technical assistance of the European Commission. The Customs Code is based on the EU

Customs Code and is a point of departure for harmonising the whole range of its customs legislation and its customs administration with that of the EU.

Bulgaria has brought its Customs Tariff into full conformity with the Combined Nomenclature of the EU as from 1 January 1998. Another area of our preparations should include the adoption of the Integrated Tariff of the EU, which represents the coding of the applied different instruments of tariff treatment (harmonised system, combined nomenclature, preferential regimes, tariff quotas, tariff suspensions, QRs, etc.). The lack of such a system creates difficulties for the customs administration and for the traders to apply the various regimes of customs instruments. The Bulgarian administration has made some first steps in the right direction and one should hope that Bulgaria will be in a position to adopt a National Integrated Tariff similar to that of the EU in the near future.

One of the major problems for the smooth functioning of the customs administration in Bulgaria is the lack of a computerized system of management. Its introduction will greatly facilitate the efficiency of the customs officials on all customs regimes in all customs offices in the country. It will enable the Bulgarian administration to be more successful in the combat against corruption in this area.

Bulgaria has finalized its preparations to accede to the EC/EFTA Convention on Common Customs Transit and to the Convention on the Single Administrative Document and should continue its efforts to achieve accession.

The preparations for future membership include also preparations of the customs offices of Bulgaria which will be on the external border of the European Union after Bulgaria's accession to the EU.

Another important area is the preparation of qualified officers for the customs administration. In this respect all possibilities for cooperation with the EU, the WTO, the World Customs Organization and bilateral channels should be fully and effectively used.

Conclusion

Bulgaria's membership in the European Union is a strategic objective and has no alternative in terms of best ensuring conditions for stability, security and economic prosperity of the Bulgarian people. The membership criteria are high and require enormous efforts of preparations in all areas. This preparatory work is necessary not only for achieving the goal of membership - the efforts in this direction anyway form part of the necessary reforms in Bulgaria. The trade policy reform is an essential element of these reforms.

Annex 1

EXPORT TAXES

The following products are liable to export tax:

No	Description of products	Bulgarian Customs Tariff No	Tax level	EU, EFTA
1	2	3	4	5
1.	Wood in the rough, broad-leaved and coniferous with the diameter of the slender edge over 20 cm	ex 4403		
	1. Poplar		25 DEM/MTQ	-
	2. Walnut		400 DEM/MTQ	-
	3. All other wood species excl cerice, acacia and lime tree		35 DEM/MTQ	-
2.	Wood chipped length wises	ex 4407		
	2.1. Planks and beams of:			
	2.1.1 All wood species (excl. walnut cerice, acacia and lime tree)		10 DEM/MTQ	-
	2.1.2 Walnut planks of any size		300 DEM/MTQ	-

Annex 2

AUTOMATIC LICENSING

Imports of the following items are subject to automatic licensing:

No	Bulgarian Customs Tariff No.	Description of products
1. 2. 3.	2701, 2702, 27040019, 270400300 Ex 270900 271000260, 271000370 271000270 to 271000360 271000510, 271000550 ex 27100066, ex 27100067, ex 271000681, 271000689 ex 271000689 271000740 to 271000780, 271000972 271000210 271000978	1. Coal and coke 2. Petroleum oil 3. Liquid fuels 3.1 Jet fuels 3.2 Automobile fuels 3.3 Kerosene 3.4 Diesel, incl. Light fuel for ships 3.5 Heavy fuel for industry 3.6 Heavy fuels 3.7 White spirit 3.8 Engine oils and other, which are meant to be mixed
5.	Ch. 72 (excl. 7203, 7221), 7302 - 7306, 732591000, 732611000, 7402 - 7411, 7502 - 7508, 7601 - 7608, ch. 78, ch. 79, ch. 80	Ferrous and non-ferrous metals, alloys thereof, products thereof
6.	271111000, 271121000	Natural gas

AUTOMATIC LICENSING

Exports of the following items are subject to automatic licensing:

No	Bulgarian Customs Tariff No.	Description
1.	2701, 2702, 27040019, 270400300	Coal and coke
2.	271000270 to 271000360 ex 27100066, ex 27100067, ex 27100068 ex 271000689 271000740 to 271000780, 271000972	Liquid fuels 1. Automobile fuels 2. Diesel 3. Heavy fuels for industry. 4. Heavy fuels
3.	3003, 3004	Ready made medicines and diagnostic forms.
4.	Chap. 72 (excl. 7203), 7302 to 7306, 7402, 7403 to 7411, 7419, 7503, 7601, 7602, 7604 to 7608, 7801, 7803 to 7806, chapter 79	Iron and steel, articles of iron and steel, copper and articles thereof, nickel and articles thereof, aluminium and articles thereof, lead and articles thereof, zinc and articles thereof, tin and articles thereof /with the exception of those in ch. 72 in cases of export to EU/
5.	ex 8524	CD ROM software, audio and video media with record

AUTOMATIC LICENSING

**Exports and re-exports of the following items are subject to automatic
licensing:**

No	Bulgarian Customs Tariff No.	Description
1.	5204 to 5211 , 5401 to 5406 (excl. 5405), 5501, 5503, 5505, 5508 - 5511, from 6101 to 6106, 6109, 6110, 6112, 6201 to 6206, 6211	Textile and textile articles (excl. these under tariff quotas)

AUTOMATIC LICENSING

**Upon entry into customs procedure the following items are subject to
automatic licensing:**

No	Bulgarian Customs Tariff No.	Description of products
1.	390740000	Polycarbonates
2.	ex 8524	Matrix for CD production.

NON - AUTOMATIC LICENSING

Imports of the following items are subject to non-automatic licensing:

No	Bulgarian Customs Tariff No.	Description of products
1.		Ready made medicines and diagnostic forms, substances and raw materials for their production, dentists' materials and dressings
2.	2524, 6812, ex 6811, ex 6813	Asbestos, asbestos products, asbestos containing materials and products

NON - AUTOMATIC LICENSING

Exports of the following items are subject to non-automatic licensing:

No	Bulgarian Customs Tariff No.	Description
1.	ex 4403, 440110000	Wood in the rough: coniferous and non-coniferous wood, with the diameter of the slender edge over 4 cm , fuel wood.
2.	100510110, 100510130, 100510150, 100510190 120600101 100110001, 100190911 100300101	Seeds: Hybrid maize sunflower, until first propagation wheat, until first propagation Barley until first propagation

NON - AUTOMATIC LICENSING

Exports and re-exports of the following items are subject to non-automatic licensing:

No	Bulgarian Customs Tariff No.	Description of products
1.	2843, ex. Chapter 71	Gold, silver, platinum and articles thereof, solutions, scrap; precious stones
2.		Narcotic and psychotropic products and substances for their production
3.		Nuclear materials, nuclear equipment, radioactive materials
4.	ex. Chapter 36, ex. 290420001	Powder, explosives with civil application Trinitrotoluole
5.	9303, 9304, 9305, 9306, ex. 95069990	Hunting and sporting guns and ammunitions for them, gas spray, gas pistols, signal pistols and revolvers and ammunitions for them
6.		Rare and protected plants and species included in the Washington Convention
7.		Wild plants and animals, mushrooms, hunting trophies, game, seeds and saplings of exotic plants and trees, cultivated medical plants

No	Bulgarian Customs Tariff No.	Description of products
8.	ex. chapter 97	works of art and objects possessing historic archeological value, collectors' pieces and antiques

NON - AUTOMATIC LICENSING

Upon entry into customs procedure the following items are subject to non-automatic licensing:

No	Bulgarian Customs Tariff No.	Description of products
1.	2843, ex. Chapter 71	Gold, silver, platinum and articles thereof, solutions, scrap; precious stones
2.		Narcotic and psychotropic products and substances for their production
3.		Nuclear materials, nuclear equipment, radioactive materials
4.	ex Chapter 36, ex 290420100	Powder, explosives with civil application Trinitrotoluole
5.	9303, 9304, 9305, 9306, ex 95069990	Hunting and sporting guns and ammunitions for them, gas spray, gas pistols, signal pistols and revolvers and ammunitions for them
6.		Rare and protected plants and species included in the Washington Convention
7.		Flora and fauna species non-customary for the territory of Bulgaria imported in the view of breeding or planting respectively
8.	ex Ch. 28, ex. Ch.29, ex 3808	Plant protection chemicals
9.	950430	Gambling machines and parts thereof
10.	ex 2208, 330210100	Beverages imported in voluminous containers and compound alcoholic preparations of the kind used for manufacture of beverages
11.	ex 490700, ex 4911	Polygraphic production which can be used as securities
12.	290346200	Bromotrifluoromethane /hallon-1301 CF ₃ Br/
13.	290346900	Dybromtetrafluoroethanes /hallon-2402 C ₂ F ₄ Br ₂ /

EXPORTS QUOTAS

Exports of the following items are subject to export quotas according to the international agreements:

	Description	Quotas
1.	Textile and textile products	Export to the USA and Canada only